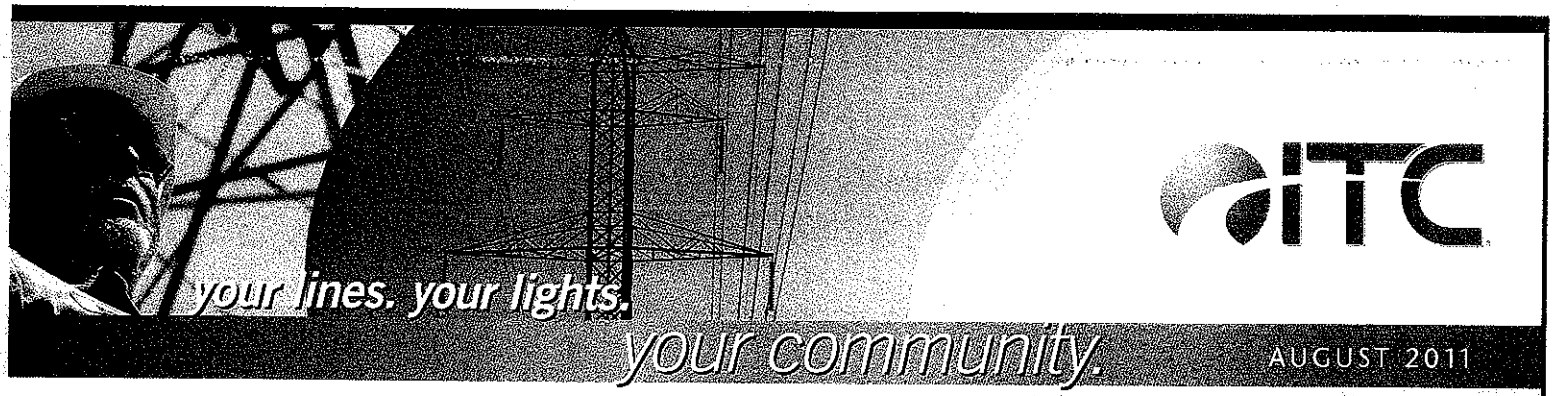


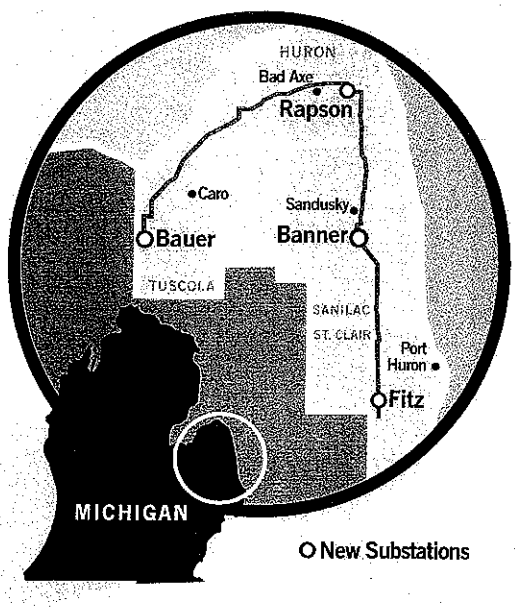
AUGUST 2011

Thumb Loop 345 kV
TRANSMISSION LINE PROJECT

Dear Friends,

As the Thumb Loop Transmission Line project continues, we want to keep you up to date with frequent and direct communication. We appreciate all the help and cooperation we are receiving from landowners and communities throughout the Thumb region.

We want to emphasize that ITC*Transmission* is committed to working honestly and cooperatively with landowners to reach a mutually beneficial result. We hope to do all we can to ensure that concerns of landowners are met and addressed, and we intend to deal fairly with landowners so we can meet the requirements of this project. We all can be successful in this process if we continue to work together.



In an earlier newsletter, we discussed the easement negotiation process. As you'll recall, the initial meeting with our land acquisition agent and the negotiation of the "right of entry" agreement are the first steps. We have been very successful in reaching right-of-entry agreements with landowners in Tuscola and Huron counties. We appreciate everyone's willingness to work with us so we can conduct the necessary survey work, soil borings and other activities that are important to the design phase of the project.

The next step in the process is negotiating the right-of-way easement. It is always our goal to negotiate voluntary easement agreements with every landowner, and we are working hard to achieve this. We believe this is the best approach and the most practical and efficient way for landowners to help us address their concerns. We urge you to communicate with us whenever you have any questions or concerns, especially in the early stages of the project.

In situations where we cannot come to an agreement despite our best efforts, the company has the ability to exercise eminent domain. We view this as a last resort and hope to avoid this situation, but we feel it is important to provide complete information to all those who will be impacted by this project. In order to help answer any questions and to better explain the process of eminent domain, we are providing information on the process on the inside pages of this newsletter.

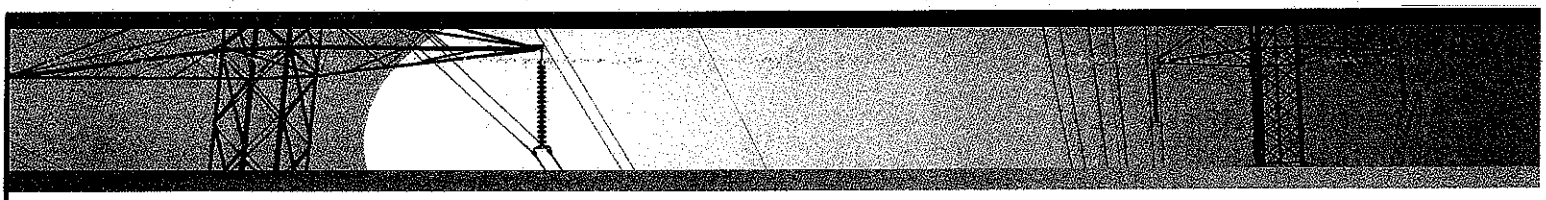
ITC*Transmission* remains committed to maintaining open and honest communications with landowners and the community about this project. We hope that these newsletters are helping to keep you informed of the line's progress, and we appreciate the opportunity to share this information with you. ■

Sincerely,
The Thumb Loop Project Team

27175 Energy Way
Novi, MI 48377

877.ITC.ITC9 (877.482.4829)
www.itctransco.com

we're your energy superhighway



The Eminent Domain Process

As a certified public utility, The State of Michigan has granted ITC*Transmission* the power of eminent domain to take property where necessary for the transmission of electricity for public use. As required by law for a project of this size and purpose, ITC applied to the Michigan Public Service Commission and was granted a siting certificate allowing ITC to construct the transmission line along a specified route. Here is a step-by-step description of how the eminent domain process would work in this case.

Step 1: Appraisal Process A team of independent real estate appraisers and business valuation consultants is available to assist the company in determining all the ways in which an individual property owner will be impacted by the transmission line. As part of the appraisal process, ITC will ask property owners to meet with these consultants so they can discuss any impact they believe the project may have on their property.

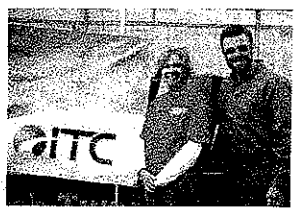
Landowners will receive a letter from two independent real estate appraisers hired by ITC to prepare an appraisal to assist in estimating the impact the transmission line will have on the owner's property. The appraisers, Andy Chamberlain and Doug Hodge, were chosen because they have extensive experience in matters similar to this project. The landowners also will receive a written request for financial information from either Yeo & Yeo or Plante Moran, two highly respected certified public accounting firms. These business valuation consultants will also request a meeting with you, the property owner.

We encourage you to meet with both the appraisal and business valuation teams because open communication with these individuals will allow ITC to make the most informed determination regarding your just compensation.

Step 2: Good Faith Written Offer Condemnation is a process we employ only after other efforts are fruitless. It is regulated by Michigan law and begins with the submission of a good faith offer to affected landowners. The landowner will be provided a copy of the appraisal report prepared by the independent real estate appraisers to review. The Good Faith Written Offer will be based on what ITC has determined to be the Estimated Just Compensation for the easement. Landowners will have a set period of time to respond to the Good Faith Written Offer, usually between 7 and 10 days.

Step 3: Filing of Eminent Domain Lawsuit If a landowner declines the Good Faith Written Offer, a lawsuit will be filed in the County Circuit Court where the property is located. Through this process, ITC will ask the Court to confirm title and grant possession of the easement to the company. You, as the property owner, have certain rights under Michigan statutory law. Once title and possession are granted, the Court will then preside over a trial aimed at determining whether the Estimated Just Compensation offered by ITC is fair.

As the condemnation process runs its course, there is always the possibility of a voluntary settlement right up until the time of the trial. ITC prefers to reach easement agreements with all landowners on the line route. The Thumb Loop project will be around for a long time, and we want to develop positive, long-term relationships with each of you. If at any time before you receive a good faith offer you would like to discuss a voluntary settlement, please contact your land agent at Universal Field Services at (989) 269-7499. ■



ITC in the Community

As the owner and operator of the high voltage transmission system in Michigan, ITC is active in local communities in the Thumb region and throughout the state. We support local communities through membership in local organizations, event sponsorships, charitable donations and recreational access to our transmission corridors. Our commitment to the communities we serve is the cornerstone of our business and our mission to be a best-in-class transmission provider.

ITC*Transmission* sponsors numerous organizations and events in the Thumb region. Here are some examples:

- Huron School District - Embracing Our Earth – (three years)
- Elkton Wind Turbine Day (three years)
- Marysville - Blue Water Volleygrass Festival (three years)
- St. Clair County Emergency Services Breakfast & Golf Outing (three years)
- St. Clair Riverfest – (two years)
- Huron County Community Foundation - Bidder's Bash (two years)
- Hatchet Open Golf Tournament - Bad Axe (two years)
- Pheasants Forever - Thumb Chapter (Autumn dinner)
- Tuscola County Park Sponsorship
- Elkton Autumnfest Weekend
- Sand Point Nature Preserve – near Caseville, Huron County

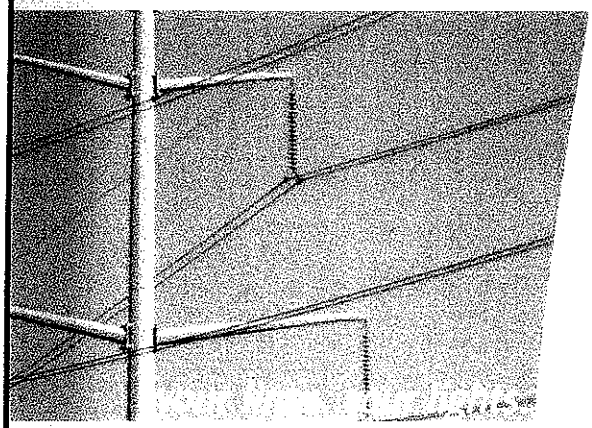
Your Land Agents

The land agents from Universal Field Services are your link to ITC and the Thumb Loop transmission line project. Each landowner has an agent assigned to their property. We encourage you to contact him or her when you have any questions or concerns. They work out of the ITC field office in Bad Axe at 222 Park Avenue. They can be reached at (989) 269-7499.

222 Park Avenue, Suite 1
Bad Axe, MI 48413

Return Service Requested

Thumb Loop 345 kV
TRANSMISSION LINE PROJECT



your community.

FAST FACTS:

Line length: Approximately 140 miles

Line route: Tuscola, Huron, Sanilac and St. Clair counties

Voltage: 345,000 (345 kV)

Right-of-way width: Approximately 200 feet

Structure type: Steel monopole, double circuit

Structure height: 130-180 feet

Distance between structures: Approx. 800 to 1,100 feet

Towers per mile: Typically six

Substations: Bauer (Tuscola County), Rapson (Huron County), Banner (Sandusky County), Fitz (St. Clair County)

KEY DATES & TIMELINE:

Feb. 25, 2011: Michigan Public Service Commission issued expedited siting certificate

Second Quarter 2011: Right-of-way discussions with landowners began.

Fourth Quarter 2011: Construction begins on Bauer Substation.

First Quarter 2012: Construction begins on first line segment (Tuscola County to Huron County).

Fourth Quarter 2013: Target in-service date for first segment.

Fourth Quarter 2015: Complete line enters service.

About ITC*Transmission*

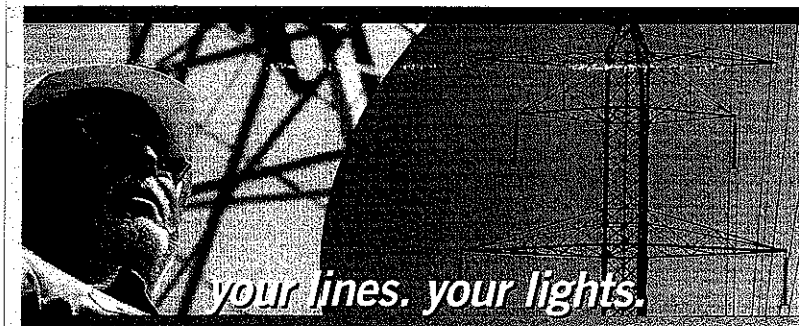
International Transmission Company (d/b/a ITC*Transmission*) is a wholly-owned subsidiary of ITC Holdings Corp., the nation's largest independent electricity transmission company. Based in Novi, Michigan, ITCTransmission owns, operates and maintains approximately 2,800 circuit miles of transmission line in southeast Michigan, serving a population of 5.1 million. For more information, please visit **http://www.itctransco.com**. ■

ITC Thumb Loop 345 kV
TRANSMISSION LINE PROJECT

If you have questions about the Thumb Loop project:

- Visit **http://www.itctransco.com/projects/current/itctransmission.html**
- Email **thumbloop@itctransco.com**
- Call **877.ITC.ITC9** (877.482.4829)

we're your energy superhighway

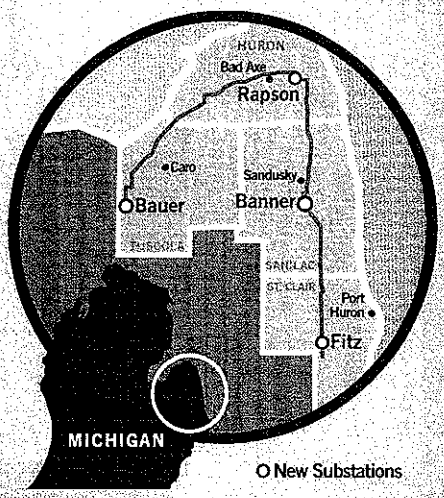


ITC

JUNE 2011

Letter from the President

Thumb Loop 345 kV
TRANSMISSION LINE PROJECT



Dear Friends,

This latest edition of our newsletter for the Thumb Loop high-voltage transmission line project is aimed at providing you with timely information about our progress. It's part of ITC's pledge to maintain open and honest communications with landowners and the community about this project.

ITC*Transmission* has reached an important stage in the Thumb Loop transmission line project – working with landowners to obtain the real estate easements necessary to build the line. Our goal is to keep everyone on the route informed as we work to reach mutually beneficial agreements and develop positive, long-term relationships with each of you. Land acquisition agents have already begun contacting landowners in Tuscola and Huron Counties who have property on the western segment of the line route. We'll reach out to landowners in Sanilac and St. Clair Counties when appropriate.

Our land acquisition agents will schedule appointments with each of you to begin the easement acquisition process and will continue to reach out to you periodically to provide project updates. If you have a listed home phone number, the agents will attempt to contact you by phone to set up an appointed meeting time. If no phone number is available, the agents may stop by homes or farms to schedule a meeting. The agents will not show up to anyone's door without attempting prior contact through letters and phone calls. More detailed information regarding the easement acquisition process and other topics relating to this project can be found on the inside pages of this newsletter.

The following is a recap of the project so far:

In October 2008, Michigan passed the Clean, Renewable and Efficient Energy Act (Public Act 295), which created the Wind Energy Resource Zone Board to study and identify regions with the highest wind potential. The Board's final report identified four prospective regions and Region 4, located in the state's Thumb area, displayed the highest potential for wind energy in the state. In accordance with Public Act 295, ITC*Transmission* submitted a plan for additional transmission lines needed to accommodate wind development projects in Region 4.

In January 2010, the Michigan Public Service Commission (MPSC) designated the Thumb region as the state's primary wind development zone. In July 2010, ITC*Transmission* hosted community open house events in Caro, Bad Axe, Sandusky and Emmet to introduce the project to the public. Pursuant to Public Act 295, the MPSC granted ITC*Transmission* an expedited siting certificate on February 25, 2011, approving the proposed route for construction. The approved route traverses Tuscola, Huron, Sanilac and St. Clair counties.

We appreciate the opportunity to share this information with you. If you have any questions or concerns, please contact us toll-free at **877.ITC.ITC9** or email us at ThumbLoop@itctransco.com. You can also find information on our website, **ThumbLoop@itctransco.com**. ■

Sincerely,

Gregory Ioanidis
President, ITC Michigan

Three Phase Acquisition Process

In April, we began contacting landowners to schedule individual appointments to begin the easement acquisition process. Each landowner will work with a land acquisition agent who will serve as a liaison between you and ITC and will be available to you throughout the project.

Phase 1: Initial meeting between land acquisition agent and property owner

At this meeting, you will discuss the Right of Entry Agreement and communicate to the land acquisition agent the important characteristics of your property. You will also be asked to describe the drainage tile system and any other farming operation(s) that should be considered when planning future surveying, environmental studies and soil boring activities. We also request that you provide a map of your drainage tile layout to the land acquisition agent.

Meet the Land Agents

Each landowner will have an agent from Universal Field Services, Inc. assigned to their property.

From L to R: Mary Forman, Wyatt Price, Richard Bonkers, and Richard Grindstaff outside the ITC project field office in Bad Axe.

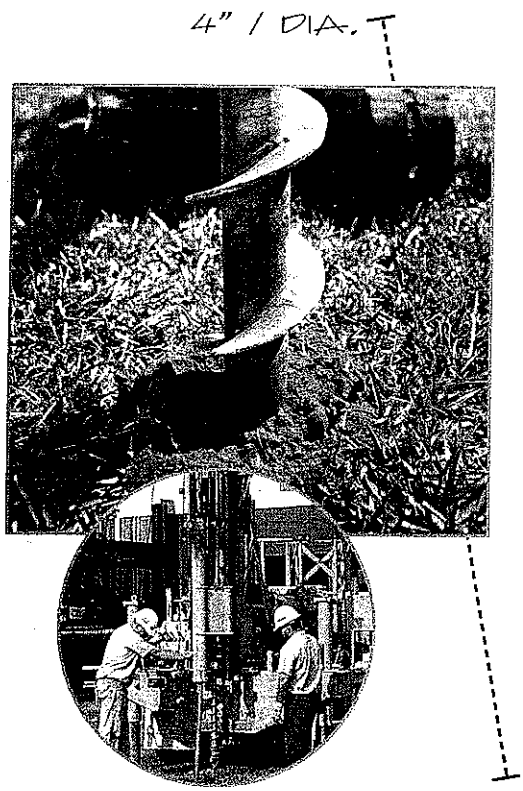
Phase 2: Necessary investigation and analysis conducted pursuant to Right of Entry Agreement

ITC's land acquisition agent will remain in contact with you and will serve as an intermediary between land owners and our contractors. You should convey all concerns with regard to access issues to the land acquisition agent for relay to the contractors. If a soil boring is needed, the location of the boring will be staked one week prior to the boring. It is very important that you take this time to determine whether the proposed location is appropriate and communicate with the land acquisition agent.

Phase 3: Offer

ITC's land acquisition agent will schedule a meeting with you to discuss the offer. You will be provided an easement form and easement acquisition offer based on the fair market value of the land subject to the easement. The offer will not include reimbursement for any crop loss or damage to the property due to construction; instead, the nature and extent of damages, if any, will be determined following construction and ITC will reimburse you. ■

Soil Boring Process Explained:



Soil and Materials Engineers, Inc. (SME) of Plymouth, Michigan, will be performing soil borings on some properties for the Thumb Loop project. The purpose is to identify subsurface conditions for the design and construction of foundations for the new transmission line structures.

Depending on the ground surface conditions at the time of the field investigation, SME may utilize either a truck-mounted drill rig (photo left) for solid ground or a drill rig mounted on a rubber-tracked, all-terrain vehicle for soft ground.

The borings for this investigation will be drilled using solid-stem flight augers (4 inch hole diameter) or hollow-stem augers (6-8 inch diameter), depending on the conditions. Soil borings will be drilled to depths ranging from 35 to 65 feet, with the majority at 35 feet. Samples of the soils will be collected at about 2.5 foot intervals in the upper 10 feet and at about 5 foot intervals below a depth of 10 feet. The samples are returned to the SME laboratory for further analysis and testing.

Upon completion of the drilling, the bore holes are backfilled with the excess auger cuttings and land is returned as close to its previous condition as possible. ■

Frequently Asked Questions:

Q: *If soil boring is needed on my property do I have any say in the sampling location?*

A. The proposed soil boring location will be staked at least one week prior to the boring. Once staked, landowners will have one week to contact their land acquisition agent with any issues regarding the proposed location. The land agent will work with you to determine an alternate location if necessary.

Q. *Will I have input regarding the location of poles on my property?*

A. The typical span between poles is 800-1,100 feet leaving some leeway for adjustment of pole placements. The routing process attempts to avoid conflicts with existing irrigation systems and other farming activity, but if you have issues regarding proposed pole placements on your property, contact your land acquisition agent and we will do our best to come to a reasonable solution.

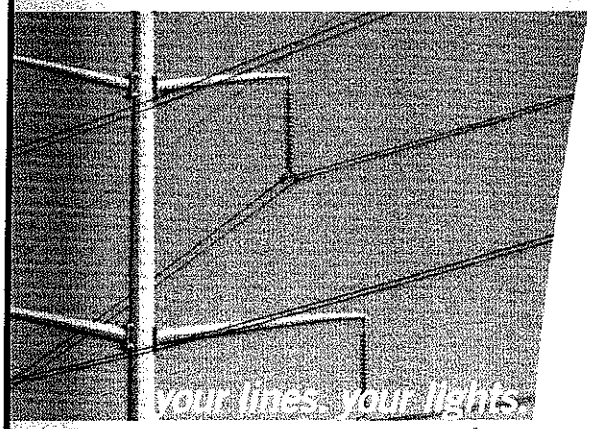
Q. *Will I have any say to minimize impacts to my farming operation?*

A. ITC*Transmission* is committed to working with landowners throughout the siting, design and construction process to attempt to minimize impacts to their property. In most cases, route alignments across fields were dictated by location of homes and other structures around the fields. Farming activities can continue under the line, with only the pole structure affecting agricultural activities. The relatively small footprint of the tubular steel monopoles proposed for this project results in negligible effects with respect to the continued productive use of farmland on the right-of-way. Nonetheless, any quantity of land that may be taken out of production because of tower footings will be addressed in talks with your land acquisition agent during the easement acquisition process. ■

222 Park Avenue, Suite 1
Bad Axe, MI 48413

Return Service Requested

Thumb Loop 345 kV
TRANSMISSION LINE PROJECT



your community.

FAST FACTS:

Line length: Approximately 140 miles

Line route: Tuscola, Huron, Sanilac and St. Clair counties

Voltage: 345,000 (345 kV)

Right-of-way width: Approximately 200 feet

Structure type: Steel monopole, double circuit

Distance between structures: Approx. 800 to 1,100 feet

Towers per mile: Typically six

Substations: Bauer (Tuscola County), Rapson (Huron County), Banner (Sandusky County), Fitz (St. Clair County)

KEY DATES & TIMELINE:

Second Quarter 2011: Right-of-way discussions with landowners began in Tuscola and Huron County.

First Quarter 2012: Construction begins on first segment (Tuscola County to Huron County).

Fourth Quarter 2013: Target in-service date for first segment.

Fourth Quarter 2015: Complete line enters service.

About ITC*Transmission*

International Transmission Company (d/b/a ITC*Transmission*) is a wholly-owned subsidiary of ITC Holdings Corp., the nation's only fully independent electric transmission company. ITC*Transmission* was acquired by ITC Holdings in February 2003. Headquartered in Novi, Michigan, ITC*Transmission* owns, operates and maintains approximately 2,800 circuit miles of of overhead and underground transmission lines and 169 stations and substations in southeast Michigan serving a population of 5.1 million. For more information, please visit **http://www.itctransco.com.** ■

ITC Thumb Loop 345 kV
TRANSMISSION LINE PROJECT

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- Email **thumbloop@itctransco.com**
- Call **877.ITC.ITC9** (877.482.4829)

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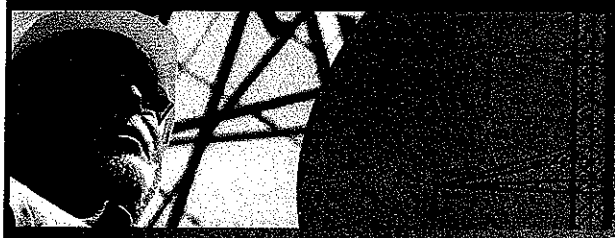
CAPITAL PROJECT PROFILE:

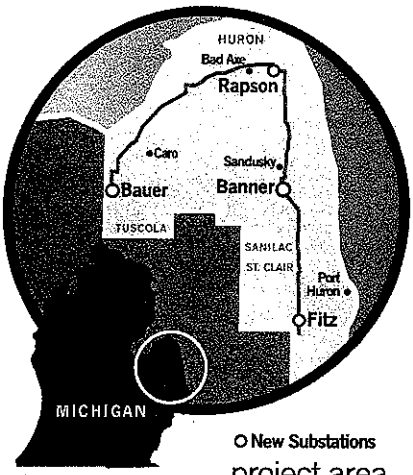


Thumb Loop *345kV Transmission Line*

MICHIGAN'S PUBLIC POLICY INITIATIVE

In October 2008, Michigan passed the Clean, Renewable and Efficient Energy Act (Public Act 295), which created the Wind Energy Resource Zone Board to study and identify regions with the highest wind potential. The Board's final report identified four prospective regions. Region 4 located in the state's Thumb area displayed the highest potential for wind energy in the state. In accordance with Public Act 295, ITC*Transmission* submitted a plan for additional transmission lines needed to accommodate future wind development projects in Region 4.

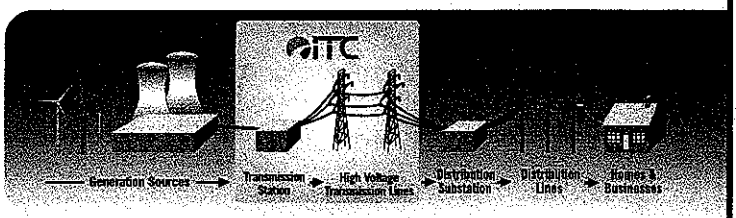
On August 30, ITC*Transmission* applied to the Michigan Public Service Commission (MPSC) for expedited siting approval of the project. On February 25, 2011, the MPSC granted an expedited siting certificate authorizing ITC*Transmission* to construct the line in the Thumb region's Wind Energy Resource Zone.



THE PROJECT

The Thumb Loop Project calls for the construction of approximately 140 miles of double-circuit 345,000 volt (345 kV) lines and four new substations that will serve as the "backbone" of the system. Additional lines and facilities will be needed in the future as wind generators go into service and connect to the backbone system to fulfill the requirements of the state's Renewable Portfolio Standard. The system is designed to meet the identified minimum and maximum wind energy potential of the Thumb region (2,367 and 4,236 MW respectively) and is capable of supporting a maximum capacity of about 5,000 MW.

The new system will be constructed in stages, with the first segment, the western side of the loop from Tuscola County to Huron County, tentatively planned to enter service in late 2013. The remainder would be targeted for completion by 2015.



ITC'S COMMITMENT

As the nation's largest independent electric transmission company, ITC Holdings Corp. focuses solely on electric transmission. Through subsidiaries ITC*Transmission* and Michigan Electric Transmission Company, LLC (METC), ITC owns and maintains more than 8,200 miles of high-voltage electric lines and 236 transmission stations throughout Michigan's Lower Peninsula. The company has invested more than $1.4 billion in capital project maintenance and transmission infrastructure improvements in the state since 2003. These investments are improving the reliability and safety of the region's transmission grid while ensuring its ability to meet new energy demands. We invest in electric transmission to enhance reliability, relieve electric transmission congestion and connect all energy resources, including renewables, to customers in a non-discriminatory manner.

For more information on ITC's Thumb Loop project, visit **http://www.itctransco.com/projects/current/itctransmission.html** or email us at **ThumbLoop@itctransco.com.**

27175 Energy Way
Novi, MI 48377

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V.7 July 2011

FREQUENTLY ASKED QUESTIONS

Q: *How did you determine the routes?*

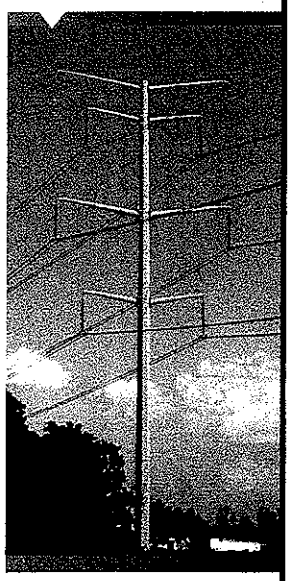
A. ITC hosted open house events in July 2010 to present potential routes, discuss project details and receive feedback from affected landowners along each potential route. We then developed two routes, a proposed route and an alternate route. The proposed route minimizes the direct project impacts to the human and natural environment while providing a constructible and cost-efficient route. It also minimizes the potential indirect future impacts associated with construction of transmission lines to connect wind farms to the backbone transmission line. The alternate route would require construction of longer transmission lines to connect wind farms to the backbone transmission line because it is located more to the inner edge of the wind zone and follows an alignment through the more central area of the Thumb, rather than along the outer periphery where the highest potential for wind exists. Both routes attempt to avoid developed and municipal areas, state and public lands, center pivot irrigation systems, airports and landing strips. We tried to maximize distance from residences and minimize wetlands within the right-of-way. We also attempted to use existing ITC rights-of-way in areas where there are suitable and available adjacent lands for the additional right-of-way this project will require. When crossing cropland, we looked to locate the line along field borders, fence rows, non-tilled borders or waterways. We also attempted to span across fields where possible, thus avoiding the need to place a structure within a tilled area. The MPSC approved the preferred route on February 25, 2011.

Q. *How will ITC work with landowners?*

A. ITC is in the process of contacting landowners who have property on the line route and beginning discussions with them about obtaining easement agreements for the necessary right-of-way. We will work respectfully with landowners throughout the siting, design, and construction process to minimize impacts to their properties. We fully expect to reach mutually beneficial negotiated agreements with them.

Q: *Will I be restricted on what activities I can perform on my land?*

A. ITC expects that in most cases land can be used for the same purposes for which it was used prior to the construction of the transmission line. Farming activities can continue under the line, with only the pole structure, a tubular steel monopole approximately every 900 feet, affecting agricultural activities.



Q. *What will the transmission line look like?*

A. Subject to final detailed engineering design, the Thumb Loop project is expected to be built primarily with tubular steel monopoles in a double-circuit arrangement with three double-bundled conductors for each circuit on either side of the pole (see photo at right). Steel lattice towers will be used for large angle applications. Overhead ground wires will be located at the top of the structures to protect the conductors from lightning strikes. The height of the structures will vary based on terrain, clearances to the ground, objects under the line and structure spacing, but will typically range between 100 and 150 feet. The span lengths between structures will be approximately 800 to 1,100 feet, with an average span of 900 feet.

Q. *Will the Thumb Loop 345-kilovolt transmission line be safe?*

A. 345-kV transmission lines have operated safely in Michigan and across the entire country, around people and animals, since the 1950's. ITC owns and safely operates 2,939 miles of 345-kV lines in Michigan. The Thumb Loop 345-kV project will be built to meet and/or exceed all applicable safety standards.

Q. *Will this line emit electro-magnetic fields (EMF)?*

A. Yes, EMF exist wherever there is a flow of electricity, including around power distribution and transmission lines, as well as around electrical wiring in homes and businesses, and electric appliances and equipment. Over the past 30 years, many scientific studies have been conducted on EMF and health. This research has been reviewed by leading public health agencies, such as the World Health Organization (WHO), which currently finds that "despite extensive research, to date there is no evidence to conclude that exposure to low level electromagnetic fields is harmful to human health." If you have additional EMF questions, please contact ITC's Customer Toll-Free Line at 877.ITC.ITC9 (877.482.4829).

NEXT STEPS & PROJECTED TIMELINE:

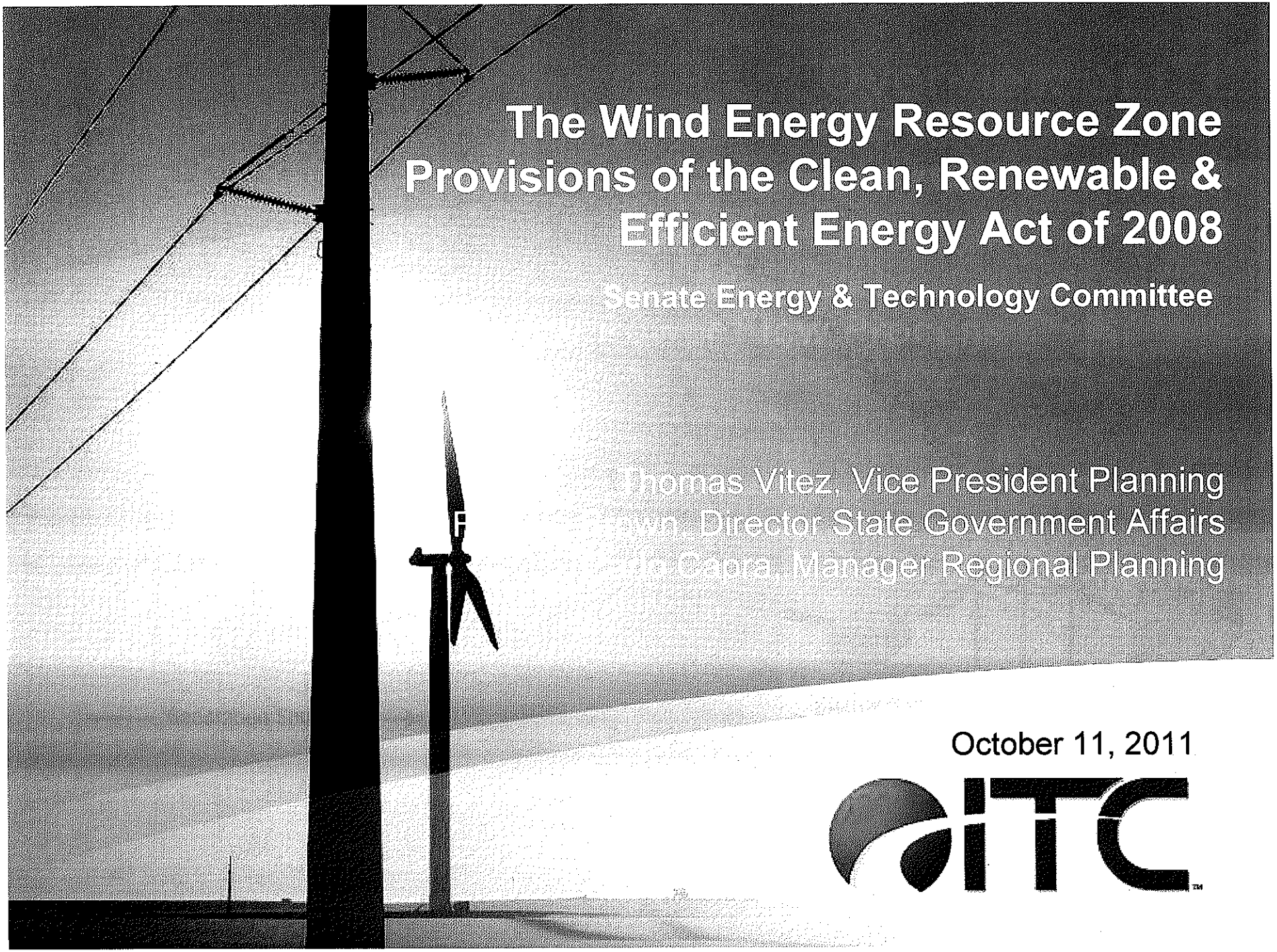
February 25, 2011
Michigan Public Service Commission grants expedited siting certificate

April 2011
Right-of-way negotiations with landowners begin.

First Quarter 2012
Construction begins on first segment.

Fourth Quarter 2013
Target in-service date for first segment (Ruskola to Huron).

Fourth Quarter 2015
Complete line enters service.



The Wind Energy Resource Zone Provisions of the Clean, Renewable & Efficient Energy Act of 2008

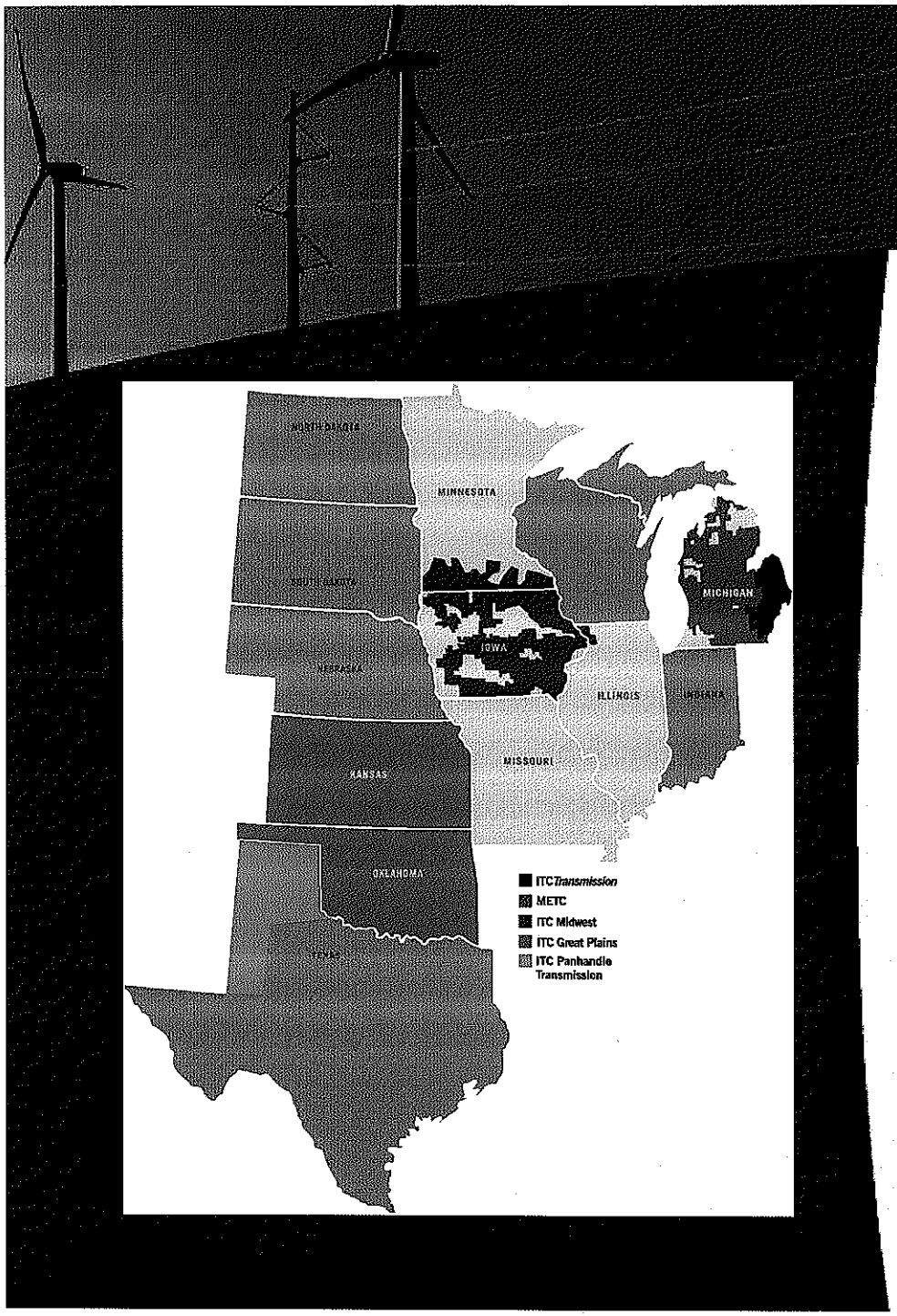
Senate Energy & Technology Committee

Thomas Vitez, Vice President Planning
[illegible], Director State Government Affairs
[illegible], Manager Regional Planning

October 11, 2011

ITC™

Overview of ITC



- **ITC currently operates over 15,000 miles of transmission facilities across 5 states with over 25,000 MW of peak load**
  - Operates 8,300 miles of transmission lines in Michigan serving 22,100 MW
- **ITC's fully regulated, independent transmission model creates a unique approach to infrastructure**
  - Independent transmission model means our sole focus is investing in necessary transmission infrastructure
- **Actively developing transmission for reliability needs and emerging long-term energy policy objectives**

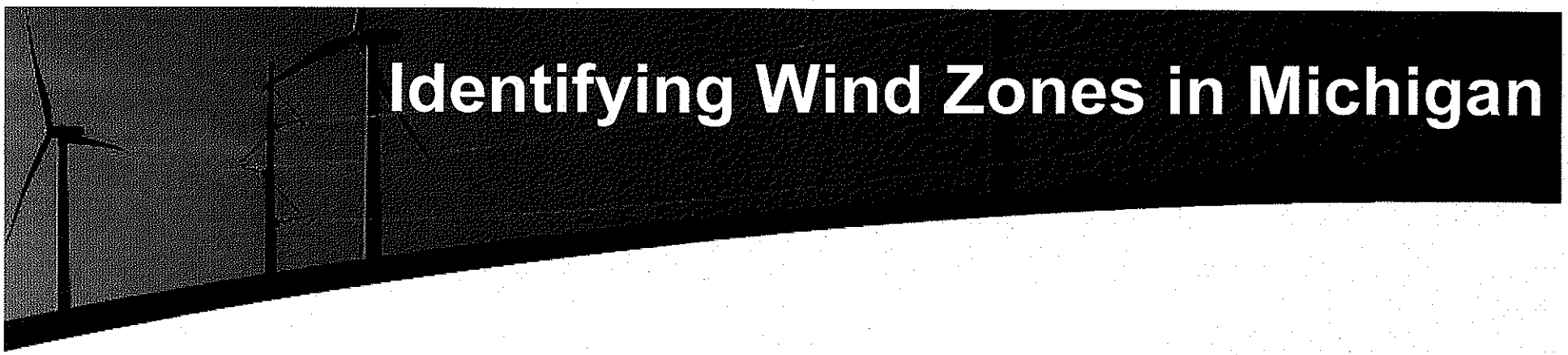
Michigan's Forward-Looking Transmission Planning Process

Reasons for PA 295

- Existing interconnection processes required interconnection requests to be studied one by one or in small groups
- Wind generation requires transmission and does not come without challenges
- To support the development of new wind renewables envisioned in PA 295 transmission is required to be built.
- Michigan has demonstrated its forward-thinking approach for building transmission to facilitate renewables in the most cost- effective, comprehensive and efficient process via the WERZ provisions in Section 141 of PA 295 of 2008, the "Clean, Renewable and Efficient Energy Act"

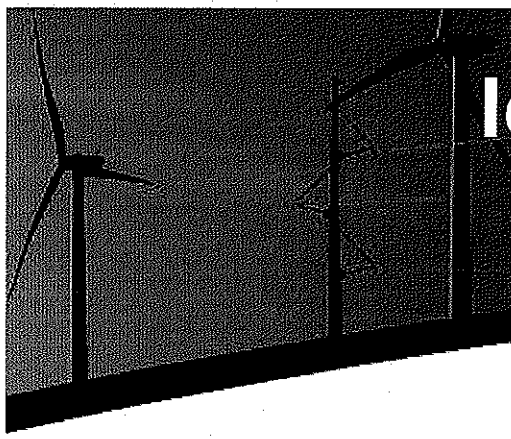
Public Act 295 of 2008

- Purpose of the language:
  - Identify optimal areas in Michigan for wind
  - Define wind potential within zones
  - Identify "backbone" transmission necessary to facilitate wind potential
  - Provide expedited siting process
- Benefits of the language:
  - Avoids the "chicken and egg" problem with the MISO queue
  - Significantly reduces the queue wait time as transmission is planned for the zone not on a 'project by project' basis.



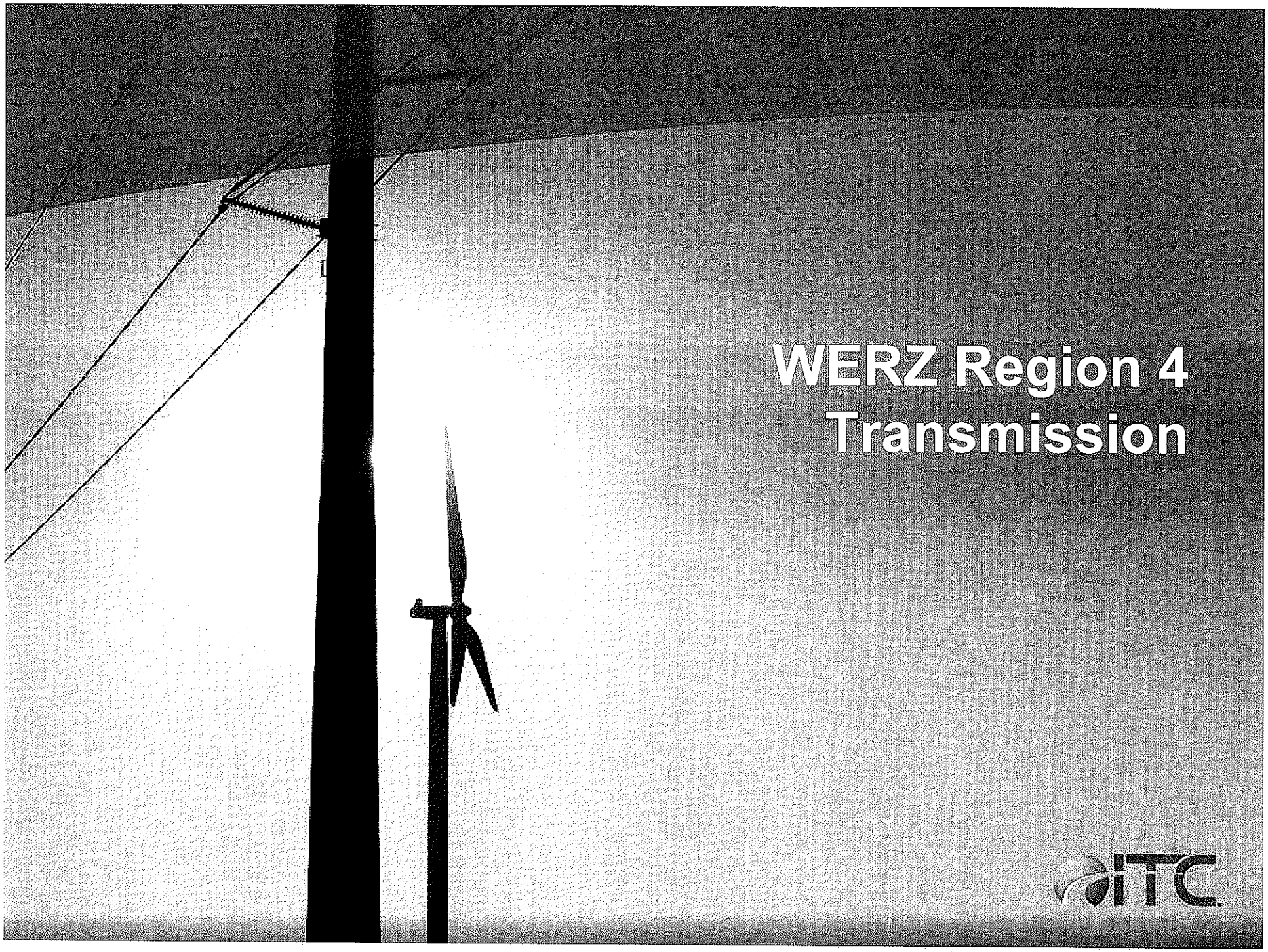
Identifying Wind Zones in Michigan

- MPSC established the Wind Energy Resource Zone (WERZ) Board
  - Members represent various interests
- WERZ conducted studies with assistance of MSU Land Policy Institute and PSC
  - Recommends 4 wind zones in the state
- WERZ report required to identify "an estimate of the annual maximum and minimum wind energy production potential for each identified region of this state"
- WERZ Board identified a maximum of 4,236 MW and a minimum of 2,367 MWs in the Thumb Region
- ITC and Wolverine submit transmission plan for some or all of the regions identified by the MPSC



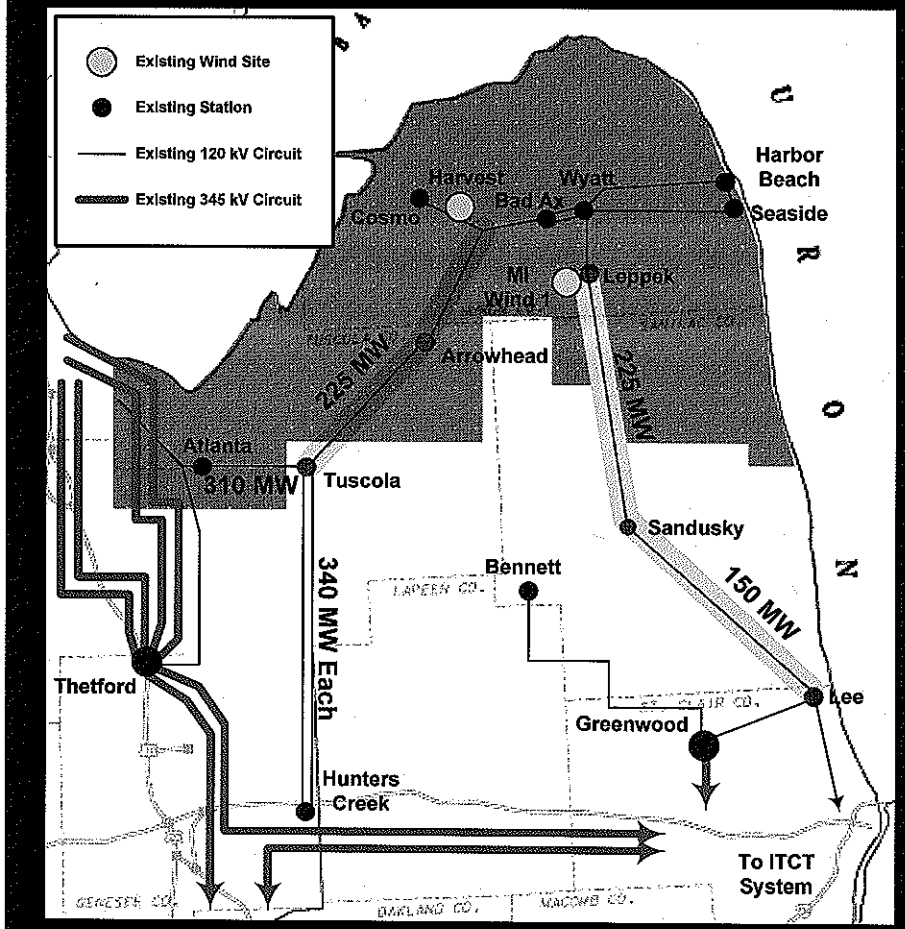
Identifying Wind Zones in Michigan

- MPSC identified Region 4 (Thumb) and Region 1 (Allegan County) as Wind Energy Resource Zones making them eligible for expedited transmission siting
- Open Houses held in St. Clair, Huron, Tuscola, and Sanillac Counties
- MPSC submitted legislative report on setback/noise and legislation addressing the issues
- August 15, 2010 MISO Board of Directors approved the proposed 345 kV transmission line located in Region 4
- ITC filed expedited siting application with the MPSC on August 30, 2010
  - Case No. U-16200
  - Notice provided to ". . .each affected municipality . . . and each affected landowner on whose property a portion of the proposed transmission line will be constructed."
- MPSC approved ITC's application within 180 days from the date the application was filed.



WERZ Region 4 Transmission

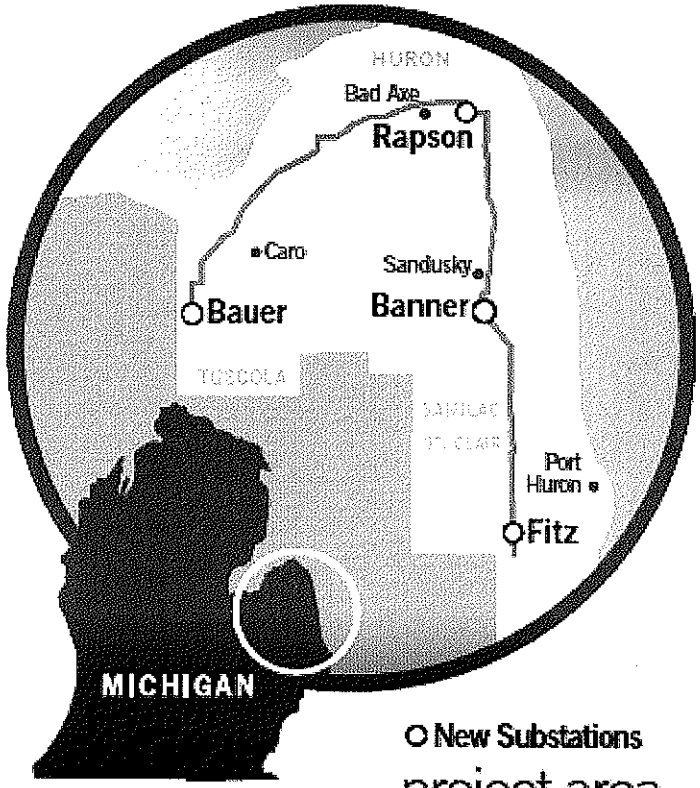
Transmission in the Thumb

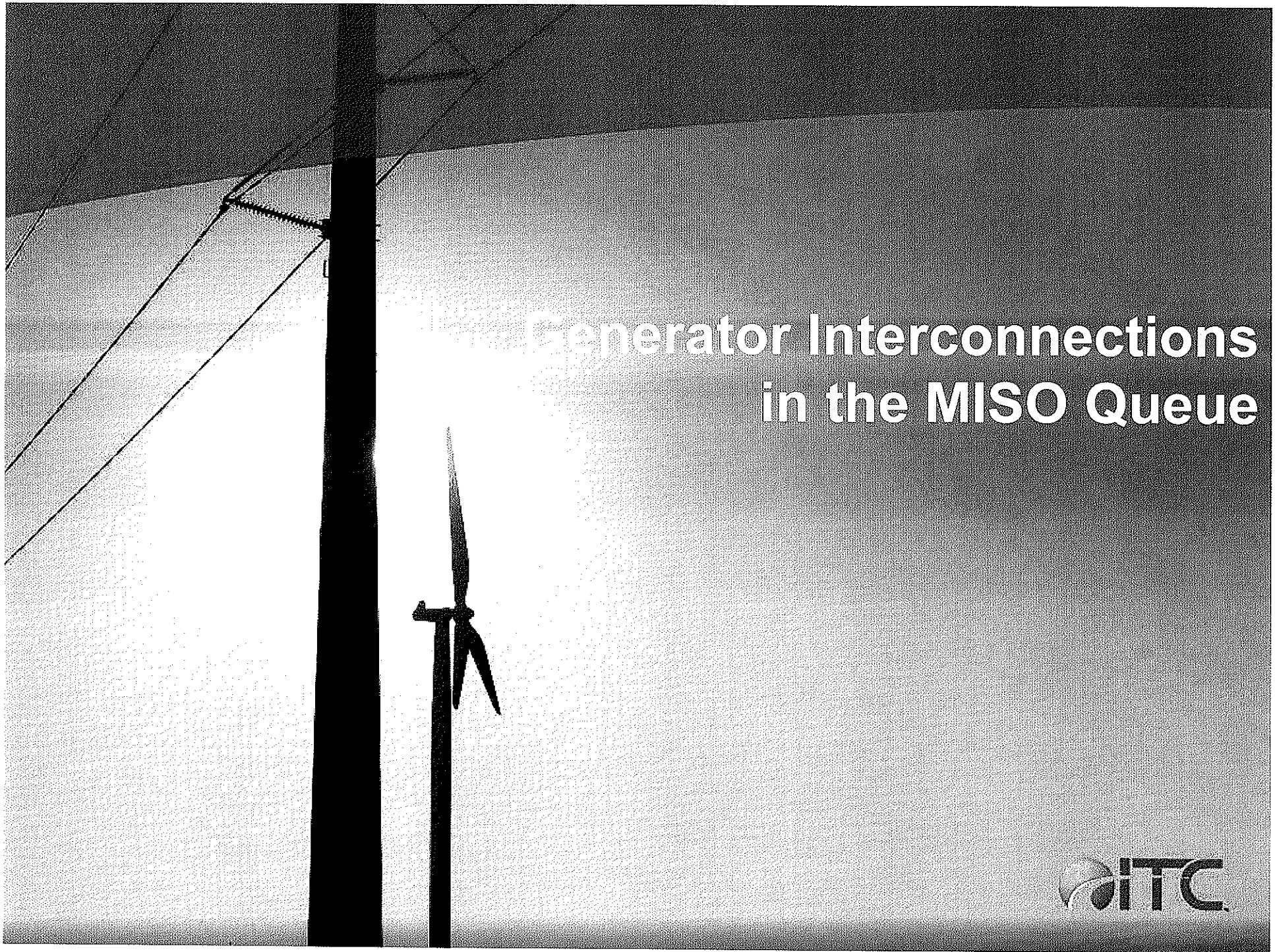


- Complexities of analysis for primary wind energy resource zone
  - Limited available capacity
  - Large minimum and maximum wind generation capacities
    - 2,367 MW
    - 4,236 MW
  - Large absolute difference between minimum and maximum values
- Description of primary wind energy resource zone
  - Two existing 120 kV circuits with limited capability
    - West ~225 MW (N-1)
    - East ~150 MW (N-1)
  - The capability of the existing transmission system is significantly lower than minimum and maximum wind generation capabilities identified by WERZB

The Thumb Loop Project

- 345kV double-circuit line, 140 miles
- Four new substations
- Approximately $510 million
- Received siting approval on February 25, 2011
- Pre-construction activities, right-of-way acquisition and construction of Bauer station underway
- Phase 1 (western side) in service late 2013
- Phase 2 (eastern side) in 2015



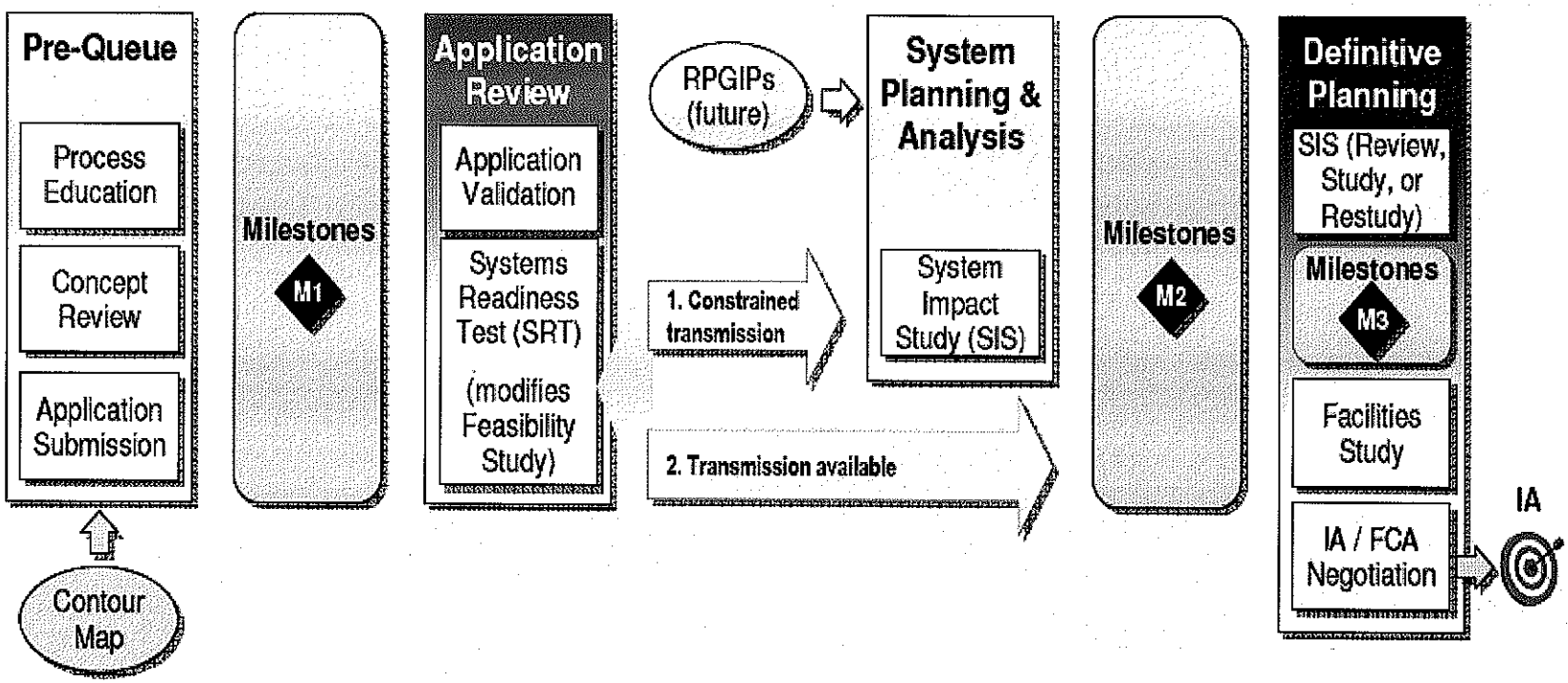


Generator Interconnections in the MISO Queue

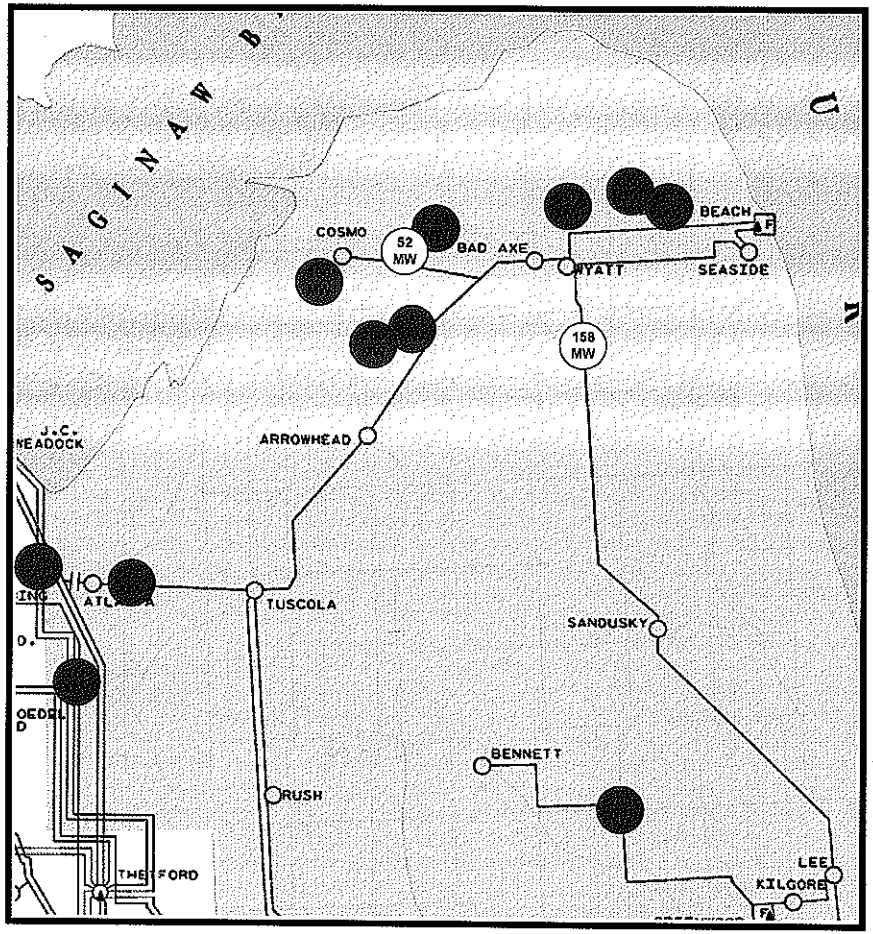
ITC

Milestone-Based MISO Process

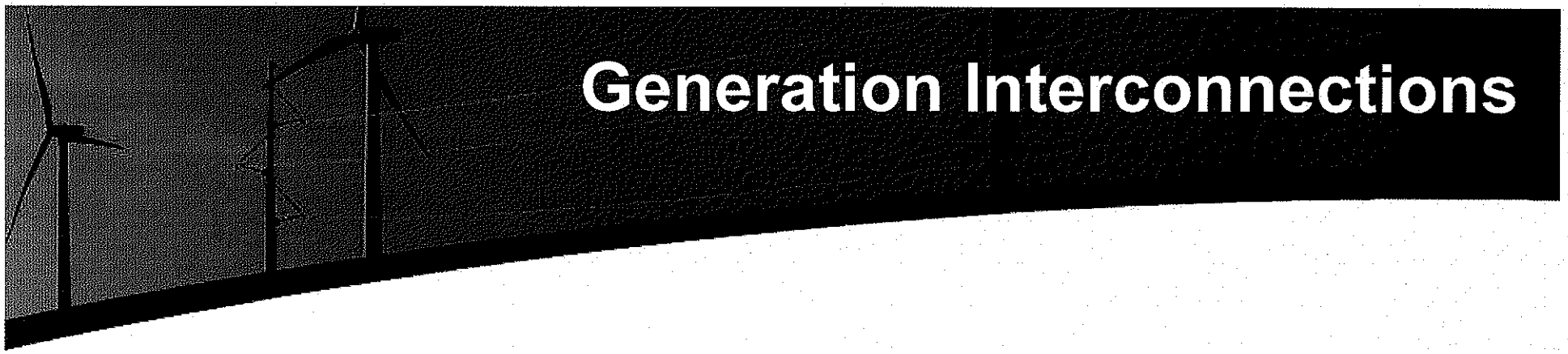
Generator Interconnection Process



Generation Interconnections

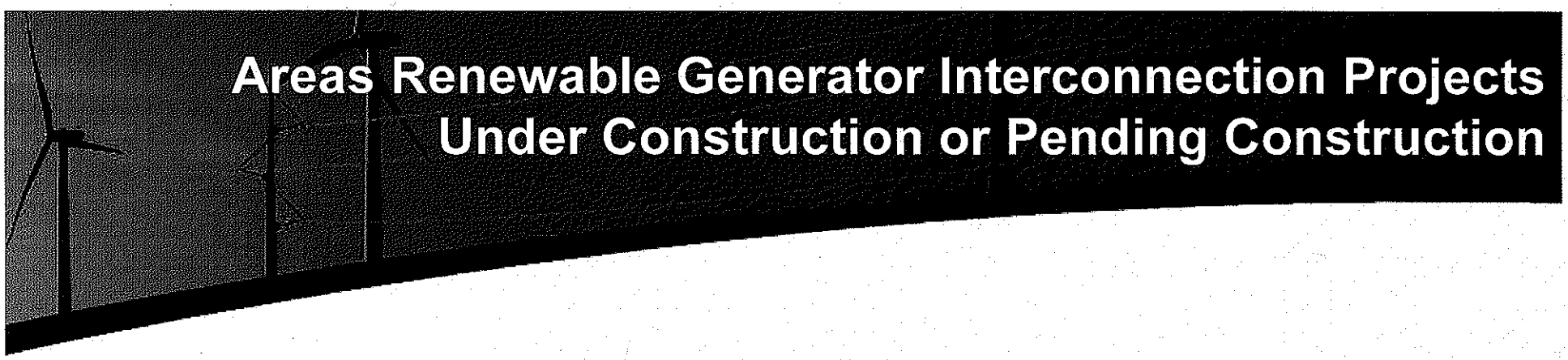


- Currently about 210 MWs in service (or signed IA) in the Thumb Zone
- Currently about 1864 MWs in MISO interconnection queue in (or adjacent to) the Thumb Zone



Generation Interconnections

Project Number	County	Point of Interconection	Max Output (MW)	In Service Date	Fuel Type	Study Status
G503	Huron	Sanduskey-Wyatt 120 kV line	158	10/30/2006	Wind	GIA Complete
G526	Huron	Cosmo Tap, Bad Axe-Arrowhead 120kV line	52	10/15/2006	Wind	GIA Complete
G889	Huron	Cosmo Tap (Bad Axe-Arrowhead) 120kV	59.4	12/31/2008	Wind	Facilities Study
G997	Huron	Wyatt - Harbor Beach 120kV	50	12/31/2012	Wind	SPA - System Impact Study
J052	Bay	Manning substation 138kV	100	9/1/2011	Wind	GIA Complete
J074	Huron	Harbor Beach to Wyatt 120 kV line	350	5/15/2012	Wind	DPP - Parked
J075	Huron	Baker to Rapson 345 kV	350	6/30/2013	Wind	DPP - System Impact Study
J122	Huron	Adjacent to Rapson	60	9/30/2011	Wind	Facilities Study
J161	Tuscola	Karn - Thetford 138kV	155	4/15/2014	Wind	DPP - System Impact Study
J185	Huron	METC Cosmo 120kV Substation	190	9/30/2012	Wind	DPP - System Impact Study
J186	Huron	METC Baker - Rapson 345kV Substation	200	9/30/2013	Wind	DPP - System Impact Study
J202	Bay	ITC Atlanta - Tuscola 115 kV	150	9/1/2012	Wind	DPP - System Impact Study
J203	Sanilac	ITC Bennett - Kilgore 120 kV	200	9/1/2012	Wind	DPP - System Impact Study



Areas Renewable Generator Interconnection Projects Under Construction or Pending Construction

Examples:

J075 – Huron County

- 350 MW Wind Farm, 2013 construction
- In System Impact Study Phase
- Proposed to connect to new 345 kV line

J052 – Tuscola and Bay Counties (Interconnection station in Saginaw County)

- 100 MW Wind Farm, 2011-2012 construction
- Executed GIA
- Reconfigure existing Manning 138kV Substation into a 3-row, breaker and a half layout
- Loop the existing Karn – Claremont 138kV line into the Manning 138kV station

Summary

The WERZ provisions in PA 295 of 2008 are working to achieve the stated purpose of effectively and efficiently interconnecting renewable resources to the transmission system in Michigan.

Movement of projects through the MISO generation interconnection process has been streamlined as a result of the language in Section 141 of PA 295 of 2008.

ITC will continue to work cooperatively with the MPSC, local officials, affected landowners and the public on the Thumb Loop project.

Thank You!